



*MANAGEMENT CONSULTING
FOR
STATE AND LOCAL
GOVERNMENTS*

QUALITY ASSURANCE (QA)

PROJECT OVERSIGHT

*INDEPENDENT VERIFICATION AND
VALIDATION (IV&V)*

PROJECT MANAGEMENT

RISK REDUCTION

TECHNOLOGY ALIGNMENT

Quality Assurance Assessment

for the

Washington Health Benefits Exchange

Exchange Project

August 15, 2012

Prepared by

Bluecrane, Inc.



bluecrane ®



August 15, 2012

Mr. Richard Onizuka
Chief Executive Officer, Washington Health Benefits Exchange

Mr. Curt Kwak
Chief Information Officer, Washington Health Benefits Exchange

Dear Mr. Onizuka and Mr. Kwak:

bluecrane has completed a preliminary Quality Assurance Assessment of the HBE Project. We are pleased to provide this service a full month ahead of the contractual requirement to deliver an initial assessment. We understand how critical it is that the WA HBE management team, the WA HBE Board of Directors, the National Health Reform (NHR) Steering Committee, and the HBE project management team have access to our early observations and recommendations as soon as possible, given the short timeline for availability of HBE's initial functionality.

This report utilizes the same format as our subsequent monthly reports will. The document is structured as follows:

1. An overview of our findings and recommendations, including:
 - a. An Executive Summary narrative and a
 - b. A Dashboard "Snapshot" of Observations/Risks/Issues.
2. An explanation of our approach for those readers that have not seen one of our assessments previously.
3. A detailed report of our HBE assessment as of August 15, 2012. Each assessed item in the detailed report begins with a summary table for the reader's quick reference that provides an impact statement, recommendations, and status. The summary table is followed by a more detailed assessment across project planning, project execution, and achievement of expected results.

Please contact me with any questions or comments.

Sincerely,

Allen Mills



Table of Contents

Part 1: Overview of August 15, 2012, <i>bluecrane</i> QA Assessment.....	1
Executive Summary	1
Project Management and Sponsorship.....	1
National Health Reform Steering Committee Governance.....	1
Internal Project Team Governance	2
Scope	2
Staffing and Project Facilities	3
Risk and Issue Management.....	3
People.....	4
Contract Management / Deliverables Management.....	4
<i>bluecrane</i> QA Dashboard “Snapshot”	5
Part 2: Review of <i>bluecrane</i> Approach	10
Part 3: <i>bluecrane</i> Detailed Assessment Report as of August 15, 2012	14



Part 1: Overview of August 15, 2012, *bluecrane* QA Assessment

Executive Summary

This report provides the initial quality assurance (QA) assessment by Bluecrane, Inc. ("*bluecrane*") for the Washington Health Benefits Exchange (HBE) Exchange Project.

Our report is organized by assessments in the project areas of:

- Project Management and Sponsorship
- People
- Application
- Data
- Infrastructure

Other than a few minor observations related to Application, Data, and Infrastructure activities that are underway, our initial assessment has focused almost exclusively on Project Management and Sponsorship, and People. There are areas of assessment in these two categories that require immediate attention to mitigate or otherwise respond to significant risks to meeting the imposed go-live date of October 2013.

Project Management and Sponsorship

National Health Reform Steering Committee Governance

Lack of effective implementation of the National Health Reform (NHR) Steering Committee's governance process is an impediment to the project's ability to make timely decisions. There are many stakeholders participating as members of the Steering Committee, including HBE, HCA, DSHS, OIC, Governor's Office staff, and OFM. The charter for the Steering Committee provides a governance process that includes identifying the appropriate decision-maker(s) for any given critical issue, key staff support to the decision-maker(s), identification of workgroups as needed, decision-making outside of NHR Steering Committee meetings, and the sharing of decisions at NHR Steering Committee meetings for cross-functional discussion. The charter also includes a provision for escalation of critical issues.

We recommend first that the approved governance process and charter should be reviewed and, as necessary, re-cast. At the time the governance process was developed and incorporated into the Steering Committee charter, the HBE had no CEO. In addition, in the last two weeks, there has been a change of leadership at HCA. In light of these critical leadership changes, the approved governance process and charter should be reviewed. The new leadership at HBE and HCA should work with the leadership of DSHS and other organizations



with significant project accountability and responsibilities to re-cast as necessary the structure, membership, and processes of the Steering Committee.

We recommend second that the Steering Committee should adhere to its approved governance approach (either the current one or a revised approach) as soon as possible to reduce the risk of extending the design activities of HBE (and downstream tasks such as development and testing). There is a significant backlog of Change Requests ("CRs") that the project team is addressing through the project's internal governance processes for vetting proposed CRs, forwarding CRs that pass the vetting process to Deloitte for sizing/costing, reviewing Deloitte's responses, and selecting CRs for "recommendation by HBE to be included in Version 1." Even when the project team manages its way through the difficulties noted below, without "final arbiter" authoritative decisions from the Steering Committee, the project is at extreme risk.

Internal Project Team Governance

Internal to the project team, there are challenges to adhering to the internal project governance process. On the occasions where the approved process is not followed, the status of proposed CRs can become unclear. For example, if a CR response from Deloitte appears to be more than HBE is ready to afford, then a project staff member may be asked to investigate "creative" options for solution without following a path explicitly defined by the approved process. We believe that the project team is making progress on addressing these risks and will be able to enforce internal processes more effectively as the initial flurry of CR activity subsides.

The project team has determined that it must make final decisions (within the project) on which CRs are in scope for Version 1.0 by Friday, August 24, or risk extending design activities (and downstream tasks such as development and testing) and ultimately impacting the go-live date. The project team acknowledges times when the discipline around internal project governance has slipped, and is making a concerted effort to reach the final decisions by the self-imposed deadline of August 24.

There is also a high level of uncertainty around coordination on some CRs that potentially impact both HBE and ACES Eligibility Services. While good working relationships at the project level appear to be resolving most questions, there should be a more formal process for this aspect of governance on an on-going basis.

Scope

The addition of scope this late in the project poses significant risk to meeting the imposed go-live date of October 2013. In addition, the inclusion of the Washington Basic Health Plan appears to be having a significant impact.

The project team should work with stakeholders to determine the minimum scope for "Version 1" of the Exchange that can realistically be delivered by the legally mandated go-live dates (January 1, 2014, with some elements of functionality available October 1, 2013). This



recommended negotiation of scope may result in some functionality being moved from Version 1 of the Exchange to subsequent later versions, including functionality that is not mandated by federal or state law such as payment processing. These scope decisions need to be made as soon as possible in order to re-direct any resources that are currently working on elements of functionality that are selected to be moved to subsequent versions. All resources should be focused on the delivery of Version 1 functionality (until such time as project planning and scheduling indicates some resources can be assigned to work on later versions). The project is quickly reaching a no-change date beyond which changes to Version 1 scope will result in extremely high risk (if not "certainty") of failure to meet the legally mandated go-live date(s).

Deloitte is assessing the scope change requests to determine the effort required. Negotiations with stakeholders are planned, including a scheduled meeting with the state legislative sponsor of the Basic Health Plan. Deloitte will be discussing the impact at the meeting.

Staffing and Project Facilities

The Financial Lead is a critical position that is currently vacant. The later the Financial Lead role is filled, the more time will be needed to bring the person up-to-speed on information being generated and decisions being made in the JAD sessions. Project management has acknowledged that filling this position is their number one priority at the moment.

In general, recruiting for many vacant project positions is underway and taking time away from other project activities. This can become a critical factor for the state in fulfilling its obligations with respect to the Deloitte contract. QA will review the Deloitte contract to better understand the state's vulnerabilities. For example, if the contract requires that the state provide document review or deliverable review responses to Deloitte within set timeframes and the state is unable to meet those commitments due to inadequate project staff, then critical project milestones may be delayed (with commensurate cost implications).

Risk and Issue Management

While the team appears to have good processes for (1) assessing and responding to individual risks as they are identified and (2) managing individual issues as they are identified, the project has no means of sharing risk and issue information with all project team members, reducing the effectiveness of overall risk and issue management.

The project should implement its planned SharePoint solution as soon as possible. The project is currently working on implementing a solution to this item (SharePoint). In the interim, the project plans to utilize a shared SharePoint server through HCA, although this capability has been delayed due to some technical issues.



People

Contract Management / Deliverables Management

Project status reporting by Deloitte should provide more granular insight into progress on planned work and action items. Current status reporting shows, for example, total action items completed and outstanding. It is unclear how much progress has been made on the action items that remain outstanding. (Is a given action item 20% complete, 80% complete, etc.?) Without such insight, it's impossible for HBE to know how significant the backlog of work is and how much work is being pushed towards the end of upcoming deliverable due dates.

It is clear that "planned work" is trending upward and "actual work completed" is trending downward, a situation that is untenable for any significant period of time. Recent reports show some amount of "buffer" near the end of upcoming deliverable deadlines. There appears to be a "bow wave" of incomplete work building up. We have reviewed the information currently provided for project status, but we have no means of assessing whether the buffer is adequate or not without more detail regarding the degree of completion of the numerous incomplete tasks.

We recommend that the project team obtain more detailed reporting from Deloitte on outstanding work and action items.

bluecrane QA Dashboard “Snapshot”

Project Area	Summary <i>bluecrane</i> QA Assessment		
	Urgency	Mid-Aug 2012	Observations/Risks
		Project Management and Sponsorship	
Governance - Steering Committee	Very Urgent Consideration	Extreme Risk	Observation/Risk: There is uncertainty and a lack of clarity with respect to governance by the Project Steering Committee. Indecision is hampering the project's ability to move forward with a defined scope.
Governance - Project Internal	Very Urgent Consideration	Risk Being Addressed	Observation/Risk: The project team has an internal governance process for vetting proposed Change Requests ("CRs"), forwarding CRs that pass the vetting process to Deloitte for sizing/costing, reviewing Deloitte's responses, and selecting CRs for "recommendation by HBE to be included in Version 1." There are challenges to adhering to the internal project governance process. (Note that currently there is ineffective governance at the Steering Committee level to make decisions on the project team recommendations - see the immediately preceding area of QA assessment.)
Scope	Very Urgent Consideration	Extreme Risk	Observation/Risk #1: Scope is at risk due to the potential approval of change requests to add functionality that is not mandated by federal or state legislation and due to the governance risks addressed above. Observation/Risk #2: Inclusion of the Washington Basic Health Option for individuals with incomes at 133-200% of the Federal Poverty Level appears to be having a significant impact on the project's scope.
Schedule	N/A	Not Assessed	QA has not completed a formal analysis of the schedule at this time. Needless to say, the risks identified above under Governance - Steering Committee, Governance - Internal Project, and Scope all raise serious concerns with the project's overall, unalterable timeline.



**Quality Assurance Assessment
WA HBE Project**

Bluecrane, Inc.
August 15, 2012
Page 6

Project Area	Summary <i>bluecrane</i> QA Assessment		
	Urgency	Mid-Aug 2012	Observations/Risks
		Project Management and Sponsorship	
Budget	N/A	Not Assessed	
Communication	N/A	Not Assessed	
Staffing and Project Facilities	Very Urgent Consideration	Risk	Observation/Risk #1: The role of Financial Lead is vacant. Observation/Risk #2: There are challenges to getting the project fully-staffed in a timely manner.
Change Management	N/A	Not Assessed	QA has not completed a formal analysis of the project's approach to change management at this time. The risks identified above under Governance - Steering Committee, Governance - Internal Project, and Scope around the on-going analysis and need for decisions around Change Requests ("CRs") highlight the need for effective Change Management by the project.
Risk Management	Urgent Consideration	Risk Being Addressed	Observation/Risk: The project does not currently have a means to track and manage risks in a shared environment accessible by all project team members.
Issue Management	Urgent Consideration	Risk Being Addressed	Observation/Risk: The project does not currently have a means to track and manage issues in a shared environment accessible by all project team members.
Quality Management	N/A	Not Assessed	



Project Area	Summary <i>bluecrane</i> QA Assessment		
	Urgency	Mid-Aug 2012	Observations/Risks
		People	
Project Staff Preparation	N/A	Not Assessed	
Stakeholder Engagement	N/A	Not Assessed	
Business Processes / System Functionality	N/A	Not Assessed	
Contract Management / Deliverables Management	Very Urgent Consideration	Risk	Observation/Risk: Project status reporting by Deloitte should provide more granular insight into progress on planned work and action items.
Training and Training Facilities	N/A	Not Started	
Consumer Organization Preparation	N/A	Not Assessed	
User Support	N/A	Not Started	



Project Area	Summary <i>bluecrane</i> QA Assessment		
	Urgency	Mid-Aug 2012	Observations/Risks
	Application		
Application Architecture	N/A	Not Assessed	
Requirements Management	N/A	No Risk Identified	Observation/Risk: Joint Application Development (JAD) sessions are continuing.
Application Interfaces	N/A	No Risk Identified	Observation/Risk: Joint Application Development (JAD) session for interface design is scheduled for mid-August.
Application Infrastructure	N/A	Not Assessed	
Implementation	N/A	Not Started	
Reporting	N/A	No Risk Identified	Observation/Risk: Joint Application Development (JAD) session for reporting framework (Cognos) is scheduled for mid-August.
Testing	N/A	Not Started	
Tools	N/A	Not Assessed	



Quality Assurance Assessment WA HBE Project

Bluecrane, Inc.
August 15, 2012
Page 9

Project Area	Summary <i>bluecrane</i> QA Assessment		
	Urgency	Mid-Aug 2012	Observations/Risks
			Data
Data Preparation	N/A	Not Started	
Data Conversion	N/A	Not Started	
Data Security	N/A	No Risk Identified	Observation/Risk: Technical team is participating in federal calls on Federal Data Hub and Identify Proofing Services.
			Infrastructure
eHealth infrastructure/ interfaces	N/A	Not Started	
U.S. Bank infrastructure/ interfaces	N/A	Not Started	
Headquarters Infrastructure	N/A	Not Started	
Remote Data Center(s)	N/A	No Risk Identified	Observation/Risk: HBE technical staff visited two data centers in the midwest in late July and early August.
Consumer Organization Infrastructure	N/A	Not Started	
Technical Help Desk	N/A	Not Started	



Part 2: Review of *bluecrane* Approach

We began our Quality Assurance engagement for the HBE Project by developing an understanding of the project at a macro level. We started by analyzing the following five “Project Areas”:

- ***Project Management and Sponsorship***
- ***People***
- ***Application***
- ***Data***
- ***Infrastructure***

It is not our practice to duplicate Project Management activities by following and analyzing each task and each deliverable that our clients are tracking in their project management software (such as Microsoft Project). Rather, we identify those groups of tasks and deliverables that are key “signposts” in the project. While there are numerous tasks that may slip a few days or even weeks, get rescheduled, and not have a major impact on the project, there are always a number of significant “task groups” and deliverables which should be tracked over time because any risk to those items – in terms of schedule, scope, or cost – have a potentially significant impact on project success.

We de-compose the five categories listed above into the next lower level of our assessment taxonomy. We refer to this next lower level as the “area of assessment” level. The list of areas of assessment grows over the life of the project. The following list is provided as an example of typical areas of assessment:

- ***Project Management and Sponsorship***
 - Governance
 - Scope
 - Schedule
 - Budget
 - Communication
 - Staffing and Project Facilities
 - Change Management
 - Risk Management
 - Issue Management
 - Quality Management
- ***People***
 - Stakeholder Engagement
 - Business Processes/System Functionality



- Contract Management/Deliverables Management
- Training and Training Facilities
- Consumer Organization Preparation
- User Support
- **Application**
 - Application Architecture
 - Requirements Management
 - Implementation
 - Application Interfaces
 - Application Infrastructure
 - Reporting
 - Testing
 - Tools
- **Data**
 - Data Preparation
 - Data Conversion
 - Data Security
- **Infrastructure**
 - eHealth Infrastructure/Interfaces
 - U.S. Bank Infrastructure/Interfaces
 - Headquarters Infrastructure
 - Remote Data Center(s)
 - Consumer Organization Infrastructure
 - Technical Help Desk

For each area of assessment within a Project Area, we document in our QA Dashboard our observations, any issues and/or risks that we have assessed, and our recommendations. For each area of assessment, we classify our observations, identified risks, and identified issues into one of the following five groups:

- **Planning** – is the project doing an acceptable level of planning?
- **Executing** – assuming adequate planning has been done, is the project performing tasks in alignment with the plans the project has established?
- **Results** – are the expected results being realized? (A project that does a good job of planning and executing those plans, but does not realize the results expected by stakeholders, is a less than successful project. Ultimately, *results are what the project is all about!*)



Assessed status is rated at a macro-level using the scale shown in the table below.

Assessed Status	Meaning
Extreme Risk	Extreme Risk: a risk that project management must address or the entire project is at risk of failure; these risks are “show-stoppers”
Risk	Risk: a risk that is significant enough to merit management attention but not one that is deemed a “show-stopper”
Risk Being Addressed	Risk Being Addressed: a risk item in this category is one that was formerly red or yellow, but in our opinion, is now being addressed adequately and should be reviewed at the next assessment with an expectation that this item becomes green at that time
No Risk Identified	No Risk: “All Systems Go” for this item
Not Started	Not Started: this particular item has not started yet or is not yet assessed
Completed or Not Applicable	Completed/Not Applicable: this particular item has been completed or has been deemed “not applicable” but remains a part of the assessment for traceability purposes

We recognize that simultaneously addressing all risk areas identified at any given time is a daunting task – and not advisable. Therefore, we prioritize risk items in our monthly reports as:

1. Very Urgent Consideration
2. Urgent Consideration
3. Serious Consideration

Rating risks at the macro-level using the assessed status and urgency scales described above provides a method for creating a snapshot that project personnel and executive management can review quickly, getting an immediate sense of project risks. The macro-level ratings are further refined by describing in detail what the risk/issue is and what remedial actions are being taken/should be taken to address the risk/issue. The result is a framework for HBE management



**Quality Assurance Assessment
WA HBE Project**

Bluecrane, Inc.
August 15, 2012
Page 13

to evaluate project risks – in terms of business objectives and traditional project management tasks.

We summarize the *bluecrane* QA Dashboard in Part 1 of our monthly report for review with client executives and project management. Part 3 of our monthly report provides the detailed QA Dashboard with all of the elements described above.



Part 3: *bluecrane* Detailed Assessment Report as of August 15, 2012

<i>bluecrane</i> Quality Assurance Dashboard for the Washington HBE Project	
Project Area Summary	
Project Area	Highest Level of Assessed Risk
Project Management and Sponsorship	Extreme Risk
People	Risk
Application	No Risk Identified
Data	No Risk Identified
Infrastructure	No Risk Identified



Project Management and Sponsorship

Governance

Very Urgent Consideration

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Governance - Steering Committee	Extreme Risk	<p>Observation/Risk: There is uncertainty and a lack of clarity with respect to governance by the Project Steering Committee. Indecision is hampering the project's ability to move forward with a defined scope.</p>
		<p>Impact: Lack of effective implementation of the National Health Reform (NHR) Steering Committee's governance process is an impediment to the project's ability to make timely decisions. There are many stakeholders participating as members of the Steering Committee, including HBE, HCA, DSHS, OIC, Governor's Office staff, and OFM. The charter for the Steering Committee provides a governance process that includes identifying the appropriate decision-maker(s) for any given critical issue, key staff support to the decision-maker(s), identification of workgroups as needed, decision-making outside of NHR Steering Committee meetings, and the sharing of decisions at NHR Steering Committee meetings for cross-functional discussion. The charter also includes a provision for escalation of critical issues.</p> <p>Recommendation #1: At the time the governance process was developed and incorporated into the Steering Committee charter, the HBE had no CEO. In addition, in the last two weeks, there has been a change of leadership at HCA. In light of these critical leadership changes, the approved governance process and charter should be reviewed. The new leadership at HBE and HCA should work with the leadership of DSHS and other organizations with significant project accountability and responsibilities to re-cast as necessary the structure, membership, and processes of the Steering Committee.</p> <p>Recommendation #2: The Steering Committee should adhere to its approved governance approach (either the current one or a revised approach) as soon as possible to reduce the-risk of extending the design activities of HBE (and downstream tasks such as development and testing). There is a significant backlog of Change Requests ("CRs") that the project team is addressing through the project's internal governance processes (see next area of QA assessment below). Even when the project team manages its way through the difficulties noted below, without "final arbiter" authoritative decisions from the Steering Committee, the project is at extreme risk.</p> <p>Status: The project team has raised this risk to all management levels.</p>



Project Management and Sponsorship

Governance
(continued)

Very Urgent Consideration

Detailed *bluecrane* QA Assessment

Project Planning		Project Execution		Achievement of Expected Results	
Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment
Extreme Risk	Observation/Risk: There is uncertainty and a lack of clarity with respect to governance by the Project Steering Committee.	Extreme Risk	Observation/Risk: There is uncertainty and a lack of clarity with respect to governance by the Project Steering Committee.	Extreme Risk	
	The approved governance process (documented in the NHR Steering Committee Charter) should be reviewed in light of the changes in the HBE's business entity structure since the time the charter was developed and approved.		Impact: Lack of effective implementation of the National Health Reform (NHR) Steering Committee's governance process is an impediment to the project's ability to make timely decisions. There are many stakeholders participating as members of the Steering Committee, including HBE, HCA, DSHS, OIC, Governor's Office staff, and OFM. The charter for the Steering Committee provides a governance process that includes identifying the appropriate decision-maker(s) for any given critical issue, key staff support to the decision-maker(s), identification of workgroups as needed, decision-making outside of NHR Steering Committee meetings, and the sharing of decisions at NHR Steering Committee meetings for cross-functional discussion. The charter also includes a provision for escalation of critical issues. Recommendation #1: In light of the critical leadership changes at HBE and HCA, the approved governance process and charter should be reviewed. The new leadership at HBE and HCA should work with the leadership of DSHS and other organizations with significant project accountability and responsibilities to re-cast as necessary the structure, membership, and processes of the Steering Committee. Recommendation #2: The Steering Committee should adhere to its approved governance approach (either the current one or a revised approach) as soon as possible to reduce the-risk of extending the design activities of HBE (and downstream tasks such as development and testing). There is a significant backlog of Change Requests ("CRs") that the project team is addressing through the project's internal governance processes (see next area of QA assessment below). Status: The project team has raised this risk to all management levels.		The expectation is that the Steering committee will provide unambiguous direction to the HBE project team as the team works to its unalterable implementation date. Without effective governance, this is clearly not occurring today and the project timeline is at extreme risk.



Project Management and Sponsorship

Governance – Project Internal

Very Urgent Consideration

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Governance - Project Internal	Risk Being Addressed	<p>Observation/Risk: The project team has an internal governance process for vetting proposed Change Requests ("CRs"), forwarding CRs that pass the vetting process to Deloitte for sizing/costing, reviewing Deloitte's responses, and selecting CRs for "recommendation by HBE to be included in Version 1." There are challenges to adhering to the internal project governance process. (Note that currently there is ineffective governance at the Steering Committee level to make decisions on the project team recommendations - see the immediately preceding area of QA assessment.)</p>
		<p>Impact: On the occasions where the approved process is not followed, the status of proposed CRs can become unclear. For example, if a CR response from Deloitte appears to be more than HBE is ready to afford, then a project staff member may be asked to investigate "creative" options for solution without following a path explicitly defined by the approved process.</p> <p>There is also a high level of uncertainty around coordination on some CRs that potentially impact both HBE and ACES Eligibility Services. While good working relationships at the project level appear to be resolving most questions, there should be a more formal process for this aspect of governance on an on-going basis.</p> <p>Recommendation: It is critical that the project team make a concerted effort to execute the internal project governance process for CRs.</p> <p>Status: The project team has determined that it must make final decisions (within the project) on which CRs are in scope for Version 1.0 by Friday, August 24, or risk extending design activities (and downstream tasks such as development and testing) and ultimately impacting the go-live date. The project team acknowledges times when the discipline around internal project governance has slipped, and is making a concerted effort to reach the final decisions by the self-imposed deadline of August 24.</p>



Project Management and Sponsorship

Governance – Project Internal
(continued)

Very Urgent Consideration

Detailed *bluecrane* QA Assessment

Project Planning		Project Execution		Achievement of Expected Results	
Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment
No Risk Identified	<p>Observation/Risk: The project team has an internal governance process for vetting proposed Change Requests ("CRs"), forwarding CRs that pass the vetting process to Deloitte for sizing/costing, reviewing Deloitte's responses, and selecting CRs for "recommendation by HBE to be included in Version 1."</p>	Risk Being Addressed	<p>Observation/Risk: The project team has an internal governance process for vetting proposed Change Requests ("CRs"), forwarding CRs that pass the vetting process to Deloitte for sizing/costing, reviewing Deloitte's responses, and selecting CRs for "recommendation by HBE to be included in Version 1." There are challenges to adhering to the internal project governance process. (Note that currently there is ineffective governance at the Steering Committee level to make decisions on the project team recommendations - see the immediately preceding area of QA assessment.)</p>	Risk Being Addressed	
	<p>An internal project governance process exists, although it is somewhat informally executed. QA has not reviewed the process yet, but the project team seems to be in agreement on the process.</p>		<p>Impact: On the occasions where the approved process is not followed, the status of proposed CRs can become unclear. For example, if a CR response from Deloitte appears to be more than HBE is ready to afford, then a project staff member may be asked to investigate "creative" options for solution without following a path explicitly defined by the approved process.</p> <p>There is also a high level of uncertainty around coordination on some CRs that potentially impact both HBE and ACES Eligibility Services. While good working relationships at the project level appear to be resolving most questions, there should be a more formal process for this aspect of governance on an on-going basis.</p> <p>Recommendation: It is critical that the project team make a concerted effort to execute the internal project governance process for CRs.</p> <p>Status: The project team has determined that it must make final decisions (within the project) on which CRs are in scope for Version 1.0 by Friday, August 24, or risk extending design activities (and downstream tasks such as development and testing) and ultimately impacting the go-live date. The project team acknowledges times when the discipline around internal project governance has slipped, and is making a concerted effort to reach the final decisions by the self-imposed deadline of August 24.</p>		<p>The expectation is that the project team will make final decisions by August 24 for recommendations to the Project Steering Committee. The achievement of these expected results is at risk due to the sheer amount of CR analysis left to be done.</p>



Project Management and Sponsorship

Scope

Very Urgent Consideration

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Scope	Extreme Risk	<p>Observation/Risk #1: Scope is at risk due to the potential approval of change requests to add functionality that is not mandated by federal or state legislation and due to the governance risks addressed above.</p> <p>Observation/Risk #2: Inclusion of the Washington Basic Health Option for individuals with incomes at 133-200% of the Federal Poverty Level appears to be having a significant impact on the project's scope.</p>
		<p>Impact of Observation/Risk #1: The addition of scope this late in the project poses significant risk to meeting the imposed go-live date of October 2013.</p> <p>Impact of Observation/Risk #2: The inclusion of the Washington Basic Health Plan appears to be having a significant impact.</p> <p>Recommendation: The project team should work with stakeholders to determine the minimum scope for "Version 1" of the Exchange that can realistically be delivered by the legally mandated go-live dates (January 1, 2014, with some elements of functionality available October 1, 2013). This recommended negotiation of scope may result in some functionality being moved from Version 1 of the Exchange to subsequent later versions, including functionality that is not mandated by federal or state law such as payment processing. These scope decisions need to be made as soon as possible in order to re-direct any resources that are currently working on elements of functionality that are selected to be moved to subsequent versions. All resources should be focused on the delivery of Version 1 functionality (until such time as project planning and scheduling indicates some resources can be assigned to work on later versions). The project is quickly reaching a no-change date beyond which changes to Version 1 scope will result in extremely high risk (if not "certainty") of failure to meet the legally mandated go-live date(s).</p> <p>Status: Deloitte is assessing the scope change requests to determine the effort required. Negotiations with stakeholders are planned, including a scheduled meeting with the state legislative sponsor of the Basic Health Plan. Deloitte will be discussing the impact at the meeting.</p>



Project Management and Sponsorship

Scope
(continued)

Very Urgent Consideration

Detailed *bluecrane* QA Assessment

Project Planning		Project Execution		Achievement of Expected Results	
Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment
Extreme Risk	<p>Observation/Risk #1: Scope is at risk due to the potential approval of change requests to add functionality that is not mandated by federal or state legislation and due to the governance risks addressed above.</p> <p>Observation/Risk #2: Inclusion of the Washington Basic Health Option for individuals with incomes at 133-200% of the Federal Poverty Level appears to be having a significant impact on the project's scope.</p>	Extreme Risk	<p>Observation/Risk #1: Scope is at risk due to the potential approval of change requests to add functionality that is not mandated by federal or state legislation and due to the governance risks addressed above.</p> <p>Observation/Risk #2: Inclusion of the Washington Basic Health Option for individuals with incomes at 133-200% of the Federal Poverty Level appears to be having a significant impact on the project's scope.</p>	Extreme Risk	<p>Observation/Risk #1: Scope is at risk due to the potential approval of change requests to add functionality that is not mandated by federal or state legislation and due to the governance risks addressed above.</p> <p>Observation/Risk #2: Inclusion of the Washington Basic Health Option for individuals with incomes at 133-200% of the Federal Poverty Level appears to be having a significant impact on the project's scope.</p>
	<p>Impact of Observation/Risk #1: The addition of scope this late in the project poses significant risk to meeting the imposed go-live date of October 2013.</p> <p>Impact of Observation/Risk #2: The inclusion of the Washington Basic Health Plan appears to be having a significant impact.</p> <p>Recommendation: The project team should work with stakeholders to determine the minimum scope for "Version 1" of the Exchange that can realistically be delivered by the legally mandated go-live dates (January 1, 2014, with some elements of functionality available October 1, 2013). This recommended negotiation of scope may result in some functionality being moved from Version 1 of the Exchange to subsequent later versions, including functionality that is not mandated by federal or state law such as payment processing. These scope decisions need to be made as soon as possible in order to re-direct any resources that are currently working on elements of functionality that are selected to be moved to subsequent versions. All resources should be focused on the delivery of Version 1 functionality (until such time as project planning and scheduling indicates some resources can be assigned to work on later versions). The project is quickly reaching a no-change date beyond which changes to Version 1 scope will result in extremely high risk (if not "certainty") of failure to meet the legally mandated go-live date(s).</p>				



Project Management and Sponsorship

Staffing and Project Facilities

Very Urgent Consideration

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Staffing and Project Facilities	Risk	<p>Observation/Risk #1: The role of Financial Lead is vacant.</p> <p>Observation/Risk #2: There are challenges to getting the project fully-staffed in a timely manner.</p>
		<p>Impact of Observation/Risk #1: The later the Financial Lead role is filled, the more time will be needed to bring the person up-to-speed on information being generated and decisions being made in the JAD sessions.</p> <p>Status for Observation/Risk #1: Project management has acknowledged that filling this position is their number one priority at the moment.</p> <p>Impact of Observation/Risk #2: Recruiting is underway and taking time away from other project activities.</p> <p>This can become a critical factor for the state in fulfilling its obligations with respect to the Deloitte contract. QA will review the Deloitte contract to better understand the state's vulnerabilities. For example, if the contract requires that the state provide document review or deliverable review responses to Deloitte within set timeframes and the state is unable to meet those commitments due to inadequate project staff, then critical project milestones may be delayed (with commensurate cost implications).</p>



Project Management and Sponsorship

Staffing and Project Facilities
(continued)

Very Urgent Consideration

Detailed *bluecrane* QA Assessment

Project Planning		Project Execution		Achievement of Expected Results	
Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment
Not Assessed		Risk	<p>Observation/Risk #1: The role of Financial Lead is vacant.</p> <p>Observation/Risk #2: There are challenges to getting the project fully-staffed in a timely manner.</p>	Not Assessed	
			<p>Impact of Observation/Risk #1: The later the Financial Lead role is filled, the more time will be needed to bring the person up-to-speed on information being generated and decisions being made in the JAD sessions.</p> <p>Status for Observation/Risk #1: Project management has acknowledged that filling this position is their number one priority at the moment.</p> <p>Impact of Observation/Risk #2: Recruiting is underway and taking time away from other project activities.</p> <p>This can become a critical factor for the state in fulfilling its obligations with respect to the Deloitte contract. QA will review the Deloitte contract to better understand the state's vulnerabilities. For example, if the contract requires that the state provide document review or deliverable review responses to Deloitte within set timeframes and the state is unable to meet those commitments due to inadequate project staff, then critical project milestones may be delayed (with commensurate cost implications).</p>		



Project Management and Sponsorship	Risk Management	Risk Being Addressed
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Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Risk Management	Risk Being Addressed	Observation/Risk: The project does not currently have a means to track and manage risks in a shared environment accessible by all project team members.
		Impact: While the team appears to have good processes for assessing and responding to individual risks as they are identified, the project has no means of sharing risk information with all project team members, reducing the effectiveness of overall risk management. Recommendation: The project should implement its planned SharePoint solution as soon as possible. Status: The project is currently working on implementing a solution to this item (SharePoint). In the interim, the project plans to utilize a shared SharePoint server through HCA, although this capability has been delayed due to some technical issues.

Detailed <i>bluecrane</i> QA Assessment					
Project Planning		Project Execution		Achievement of Expected Results	
Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment
Not Assessed		Risk Being Addressed	Observation/Risk: The project does not currently have a means to track and manage risks in a shared environment accessible by all project team members.	Not Assessed	
			Impact: While the team appears to have good processes for assessing and responding to individual risks as they are identified, the project has no means of sharing risk information with all project team members, reducing the effectiveness of overall risk management. Recommendation: The project should implement its planned SharePoint solution as soon as possible. Status: The project is currently working on implementing a solution to this item (SharePoint). In the interim, the project plans to utilize a shared SharePoint server through HCA, although this capability has been delayed due to some technical issues.		



Project Management and Sponsorship

Issue Management

Risk Being Addressed

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Issue Management	Risk Being Addressed	Observation/Risk: The project does not currently have a means to track and manage issues in a shared environment accessible by all project team members.
		Impact: While the team appears to have good processes for managing individual issues as they are identified, the project has no means of sharing issue information with all project team members, reducing the effectiveness of overall issue management and resolution. Recommendation: The project should implement its planned SharePoint solution as soon as possible. Status: The project is currently working on implementing a solution to this item (SharePoint). In the interim, the project plans to utilize a shared SharePoint server through HCA, although this capability has been delayed due to some technical issues.

Detailed <i>bluecrane</i> QA Assessment					
Project Planning		Project Execution		Achievement of Expected Results	
Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment
Not Assessed		Risk Being Addressed	Observation/Risk: The project does not currently have a means to track and manage issues in a shared environment accessible by all project team members. Impact: While the team appears to have good processes for managing individual issues as they are identified, the project has no means of sharing issue information with all project team members, reducing the effectiveness of overall issue management and resolution. Recommendation: The project should implement its planned SharePoint solution as soon as possible. Status: The project is currently working on implementing a solution to this item (SharePoint). In the interim, the project plans to utilize a shared SharePoint server through HCA, although this capability has been delayed due to some technical issues.	Not Assessed	



Project Management and Sponsorship

Various

Urgency - Not Applicable

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
	Project Management and Sponsorship	
Schedule	Not Assessed	QA has not completed a formal analysis of the schedule at this time. Needless to say, the risks identified above under Governance - Steering Committee, Governance - Internal Project, and Scope all raise serious concerns with the project's overall, unalterable timeline.
Budget	Not Assessed	
Communication	Not Assessed	
Change Management	Not Assessed	QA has not completed a formal analysis of the project's approach to change management at this time. The risks identified above under Governance - Steering Committee, Governance - Internal Project, and Scope around the on-going analysis and need for decisions around Change Requests ("CRs") highlight the need for effective Change Management by the project.
Quality Management	Not Assessed	



People

Contracts Management /
Deliverables Management

Very Urgent Consideration

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Contract Management / Deliverables Management	Risk	Observation/Risk: Project status reporting by Deloitte should provide more granular insight into progress on planned work and action items.
		Impact: Current status reporting shows, for example, total action items completed and outstanding. It is unclear how much progress has been made on the action items that remain outstanding. (Is a given action item 20% complete, 80% complete, etc.?) Without such insight, it's impossible for HBE to know how significant the backlog of work is and how much work is being pushed towards the end of upcoming deliverable due dates. It is clear that "planned work" is trending upward and "actual work completed" is trending downward, a situation that is untenable for any significant period of time. Recommendation: Obtain more detailed reporting from Deloitte on outstanding work and action items. Status: Recent reports show some amount of "buffer" near the end of upcoming deliverable deadlines. There appears to be a "bow wave" of incomplete work building up. We have reviewed the information currently provided for project status, but we have no means of assessing whether the buffer is adequate or not without more detail regarding the degree of completion of the numerous incomplete tasks.



People	Contracts Management / Deliverables Management (continued)	Very Urgent Consideration
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Detailed <i>bluecrane</i> QA Assessment					
Project Planning		Project Execution		Achievement of Expected Results	
Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment	Mid-Aug 2012	Assessment
Not Assessed		Risk	Observation/Risk: Project status reporting by Deloitte should provide more granular insight into progress on planned work and action items.	Not Assessed	
			Impact: Current status reporting shows, for example, total action items completed and outstanding. It is unclear how much progress has been made on the action items that remain outstanding. (Is a given action item 20% complete, 80% complete, etc.?) Without such insight, it's impossible for HBE to know how significant the backlog of work is and how much work is being pushed towards the end of upcoming deliverable due dates. It is clear that "planned work" is trending upward and "actual work completed" is trending downward, a situation that is untenable for any significant period of time. Recommendation: Obtain more detailed reporting from Deloitte on outstanding work and action items.		



People

Various

Urgency - Not Applicable

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks -----
		Assessment/Recommendation(s)/Status
Project Staff Preparation	Not Assessed	
Stakeholder Engagement	Not Assessed	
Business Processes / System Functionality	Not Assessed	
Training and Training Facilities	Not Started	
Consumer Organization Preparation	Not Assessed	
User Support	Not Started	



Application

Various

Urgency - Not Applicable

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Application Architecture	Not Assessed	
Requirements Management	No Risk Identified	Observation/Risk: Joint Application Development (JAD) sessions are continuing.
		Recent efforts have been on driving to resolution on SERFF models and working through some of the analysis required for the proposed CRs.
Application Interfaces	No Risk Identified	Observation/Risk: Joint Application Development (JAD) session for interface design is scheduled for mid-August.
		Note: While Provider One and the ACES Eligibility Services projects are engaged in JADs, including the identification of interfaces and project interdependencies, insurance carriers have not been include yet. There is some debate about when to include carriers.



Application

Various

Urgency - Not Applicable

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks -----
		Assessment/Recommendation(s)/Status
Application Infrastructure	Not Assessed	
Implementation	Not Started	
Reporting	No Risk Identified	Observation/Risk: Joint Application Development (JAD) session for reporting framework (Cognos) is scheduled for mid-August.
Testing	Not Started	
Tools	Not Assessed	



Data

Various

Urgency - Not Applicable

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks ----- Assessment/Recommendation(s)/Status
Data Preparation	Not Started	
Data Conversion	Not Started	
Data Security	No Risk Identified	Observation/Risk: Technical team is participating in federal calls on Federal Data Hub and Identify Proofing Services.



Infrastructure

Various

Urgency - Not Applicable

Project Area	Summary <i>bluecrane</i> QA Assessment	
	Mid-Aug 2012	Observations/Risks -----
		Assessment/Recommendation(s)/Status
eHealth infrastructure/ interfaces	Not Started	
U.S. Bank infrastructure/ interfaces	Not Started	
Headquarters Infrastructure	Not Started	
Remote Data Center(s)	No Risk Identified	Observation/Risk: HBE technical staff visited two data centers in the midwest in late July and early August.
		HBE technical staff observed the data center infrastructure in operation. Configuration work remains to be done.
Consumer Organization Infrastructure	Not Started	
Technical Help Desk	Not Started	